



February 18, 2003

SENATE BILL No. 411

DIGEST OF SB 411 (Updated February 13, 2003 2:39 PM - DI 105)

Citations Affected: IC 27-7.

Synopsis: Uninsured and underinsured motorist insurance. Specifies that the law requiring an insurer to make available uninsured motorist and underinsured motorist coverage does not apply to the issuance of certain liability insurance policies.

Effective: July 1, 2003.

Ford

January 21, 2003, read first time and referred to Committee on Insurance and Financial Institutions.
February 17, 2003, amended, reported favorably — Do Pass.

C
o
p
y

SB 411—LS 7609/DI 97+



February 18, 2003

First Regular Session 113th General Assembly (2003)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2002 Regular or Special Session of the General Assembly.

SENATE BILL No. 411

A BILL FOR AN ACT to amend the Indiana Code concerning insurance.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 27-7-5-1.5 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2003]: **Sec. 1.5. (a) As used in this section, "commercial vehicle**
4 **policy" means an insurance policy that provides coverage for at**
5 **least one (1) of the following:**

6 (1) **Five (5) or more motor vehicles.**

7 (2) **A motor vehicle that is rated or insured as a business or**
8 **commercial vehicle.**

9 (3) **A motor vehicle that is licensed by the state as a**
10 **commercial vehicle.**

11 (4) **A motor vehicle policy issued to a named insured that is**
12 **not a natural person.**

13 (5) **A garage, an automobile sales entity, a motor vehicle**
14 **repair entity, a motor vehicle service station, or a public**
15 **parking operation.**

16 (6) **A motor vehicle that is used as a public or private livery,**
17 **or a rental conveyance.**

SB 411—LS 7609/DI 97+



(b) This chapter does not require an insurer to make available uninsured motorist or underinsured motorist coverage in connection with the issuance of:

- (1) a commercial liability policy, including a commercial vehicle policy;
- (2) an umbrella or excess liability policy;
- (3) a policy that provides hired or nonowned motor vehicle liability coverage; or
- (4) a policy that does not provide primary motor vehicle liability insurance for liability arising out of the ownership, maintenance, operation, or use of a specifically insured motor vehicle.

SECTION 2. IC 27-7-5-2, AS AMENDED BY P.L.233-1999, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 2. (a) The insurer shall make available, in each automobile liability or motor vehicle liability policy of insurance which is delivered or issued for delivery in this state with respect to any motor vehicle registered or principally garaged in this state, insuring against loss resulting from liability imposed by law for bodily injury or death suffered by any person and for injury to or destruction of property to others arising from the ownership, maintenance, or use of a motor vehicle, ~~or in a supplement to such a policy~~, the following types of coverage:

- (1) in limits for bodily injury or death and for injury to or destruction of property not less than those set forth in IC 9-25-4-5 under policy provisions approved by the commissioner of insurance, for the protection of persons insured under the policy who are legally entitled to recover damages from owners or operators of uninsured or underinsured motor vehicles because of bodily injury, sickness or disease, including death, and for the protection of persons insured under the policy who are legally entitled to recover damages from owners or operators of uninsured motor vehicles for injury to or destruction of property resulting therefrom; or
- (2) in limits for bodily injury or death not less than those set forth in IC 9-25-4-5 under policy provisions approved by the commissioner of insurance, for the protection of persons insured under the policy provisions who are legally entitled to recover damages from owners or operators of uninsured or underinsured motor vehicles because of bodily injury, sickness or disease, including death resulting therefrom.

The uninsured and underinsured motorist coverages must be provided



by insurers for either a single premium or for separate premiums, in limits at least equal to the limits of liability specified in the bodily injury liability provisions of an insured's policy, unless such coverages have been rejected in writing by the insured. However, underinsured motorist coverage must be made available in limits of not less than fifty thousand dollars (\$50,000). At the insurer's option, the bodily injury liability provisions of the insured's policy may be required to be equal to the insured's underinsured motorist coverage. Insurers may not sell or provide underinsured motorist coverage in an amount less than fifty thousand dollars (\$50,000). Insurers must make underinsured motorist coverage available to all existing policyholders on the date of the first renewal of existing policies that occurs on or after January 1, 1995, and on any policies newly issued or delivered on or after January 1, 1995. Uninsured motorist coverage or underinsured motorist coverage may be offered by an insurer in an amount exceeding the limits of liability specified in the bodily injury and property damage liability provisions of the insured's policy.

(b) Any named insured of an automobile or motor vehicle liability policy has the right, on behalf of all other named insureds and all other insureds, in writing, to:

- (1) reject both the uninsured motorist coverage and the underinsured motorist coverage provided for in this section; or
- (2) reject either the uninsured motorist coverage alone or the underinsured motorist coverage alone, if the insurer provides the coverage not rejected separately from the coverage rejected.

No insured may have uninsured motorist property damage liability insurance coverage under this section unless the insured also has uninsured motorist bodily injury liability insurance coverage under this section. Following rejection of either or both uninsured motorist coverage or underinsured motorist coverage, unless later requested in writing, the insurer need not offer uninsured motorist coverage or underinsured motorist coverage in ~~or supplemental to~~ a renewal or replacement policy issued to the same insured by the same insurer or a subsidiary or an affiliate of the originally issuing insurer. Renewals of policies issued or delivered in this state which have undergone interim policy endorsement or amendment do not constitute newly issued or delivered policies for which the insurer is required to provide the coverages described in this section.

C
o
p
y



COMMITTEE REPORT

Mr. President: The Senate Committee on Insurance and Financial Institutions, to which was referred Senate Bill No. 411, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 1, line 11, after "vehicle" insert "**policy**".

and when so amended that said bill do pass.

(Reference is to SB 411 as introduced.)

PAUL, Chairperson

Committee Vote: Yeas 7, Nays 1.

C
o
p
y

